



**DEFENSE LOGISTICS AGENCY
DEFENSE CONTRACT MANAGEMENT COMMAND
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FT. BELVOIR, VIRGINIA 22060-6221**

IN REPLY
REFER TO

AQOE

APR 7 1997

**MEMORANDUM FOR COMMANDERS, DEFENSE CONTRACT MANAGEMENT
DISTRICTS
COMMANDERS, DCMC CONTRACT
ADMINISTRATION OFFICES (CAOs)**

**SUBJECT: DCMC Memorandum No. 97-39, Review of Contractor Acquired
Property Under Department of Defense Contracts (POLICY)**

This is a POLICY memorandum. It expires on July 1, 1997. Target audience: Operations Group Chiefs, Administrative Contracting Officers (ACOs) and Property Managers.

The Director of Defense Procurement has requested DCMC to provide information regarding any contract that mandates, encourages, or otherwise opens the door for contractors to acquire general purpose equipment during the performance of a contract. Any contracts meeting this criteria should be forwarded to Headquarters DCMC, ATTN: AQOE, COL Davis/Mr. Farley. To preclude unnecessary document reproduction, only the contract header or signature sheet and specific paragraphs or pages containing property related language should be forwarded. It is not necessary to forward boilerplate clauses unless those clauses have been modified from the current FAR version.

This memorandum does not require or contemplate a review of all current contracts on hand. ACOs and Property Managers with recent evidence of a contractor's acquisition of general purpose equipment should review only those contracts against which the property was charged. In cases where the contract is silent regarding the authorization to acquire general purpose property, the ACO should provide the justification, presented by the contractor or Procuring Contracting Officer (PCO), which legitimized the property as an allowable cost to a particular contract. All new contracts should be reviewed during the normal initial screening process.

DCMC is charged with the management and oversight of government property valued at over \$90 billion. Growth continues despite the best efforts of our property managers and plant clearance personnel in disposing of excess property and scrap. It is clear that we must focus our efforts on reducing government property at the source, at the point and time it is acquired. Your efforts will significantly contribute to the identification of the reasons property is



acquired and how it is justified. In turn, that information can be used to develop policy which meets the needs of DoD, and our customers, while alleviating the problems inherent in the current system.

Your immediate attention and assistance is required. Questions regarding this memorandum should be directed to Mr. Paul Farley or COL Frank Davis, (703) 767-2443/3413.

A handwritten signature in black ink, appearing to read "Robert W. Drewes", with a long horizontal flourish extending to the right.

ROBERT W. DREWES
Major General, USAF
Commander